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WORLD WAR, HEMISPHERE TRADE, AND THE AMERICAN FARMER

By L. A. Wheeler*

The present issue inaugurates a new format and editorial policy for Foreign Agriculture. It is proposed hereafter to confine the articles in Foreign Agriculture to relatively short statements and analyses of current events abroad of interest and significance to American agriculture. In line with this policy it is proposed from time to time to present a general review of foreign developments with particular reference to their effect on the agricultural export trade of the United States. As a forerunner of such reviews the following statement, which provides certain basic background material, is presented.

Since colonial days American agriculture has developed on the assumption that there exists a foreign market, principally a European market, for a large part of its production. For most agricultural products that foreign market substantially declined in importance during the decade of the 1930's. Nevertheless, until the outbreak of war in Europe foreign markets were taking up to one-fifth of our total production of wheat, about one-third of our production of lard, over 40 percent of our flue-cured tobacco, almost 50 percent of our cotton, and even larger proportions of certain classes of dried and fresh fruit.

During the 1930's there was also an increasing pressure of foreign supplies on domestic markets, as evidenced by increased imports of a considerable number of agricultural products. To a large extent, however, these increased imports were necessitated by the series of exceptionally severe droughts in the middle thirties, which reduced our production to a point where our supplies had to be supplemented by imports from abroad.

Wars in Europe and Asia have had and will continue to have important repercussions on the foreign trade of the United States in agricultural products. The purpose of this article is, first, to consider the tendencies in regard to agricultural exports since the outbreak of war in Europe, and second, to analyze briefly the significance to American agriculture of the hemisphere defense program of the United States.

In order to appreciate the significance of these developments, however, it is necessary to have in mind the historical background of our agricultural export trade.

* Director, Office of Foreign Agricultural Relations. Adapted from an address at the Farmers' Get-Together Conference, Madison, Wisconsin, November 19, 1940.

HISTORICAL BACKGROUND OF OUR AGRICULTURAL EXPORT TRADE

United States agricultural products have always been exported in large quantities to Europe, primarily to the British Isles. During the 1800's exportation of agricultural products rose steadily, reaching a peak at the turn of the century. Cotton first became an important export item in the early nineteenth century, and subsequently we began to export large quantities of wheat, corn, and barley, and of numerous livestock products.

EXPANSION IN THE NINETEENTH CENTURY

What caused this enormous agricultural trade of the nineteenth century? Fundamentally, it was due to the fact that during that century an industrial civilization was developing in Europe. As European industry grew, European agriculture became less able to satisfy the requirements of a growing population with an expanding purchasing power. At the same time, increased quantities of European manufactured goods became available to exchange for overseas agricultural products.

On the other hand, the United States had vast new areas of agricultural land, much of which could be had for the asking. As our internal transportation facilities improved, this new land was brought into production, largely by immigrants from Europe. A considerable share of the increased output found an outlet in Europe. It should be noted that during this period the United States had relatively little competition from agricultural countries outside of Europe. It was not, in fact, until the beginning of the present century that Canada, Australia, and Argentina (to give the principal examples) became really important as sources of agricultural products for industrial Europe.

There was one other aspect of the international situation favorable to an expanding export business for the American farmer; namely, the general commercial policies of the governments of the world. In the eighteenth century, when world trade was just becoming important, the commercial policies of the important trading nations tended to be nationalistic. The opinion was held generally that exports were highly desirable but that imports, with one exception, were undesirable - at least if there were any possibility of producing the imported product or its substitute at home. The one notable exception was gold. No country seemed able to obtain too much of that commodity.

During the nineteenth century, however, the commercial policies became generally much less restrictive, especially in the period following the repeal of the Corn Laws in the United Kingdom in 1846. During this time - roughly the second half of the nineteenth century - European import restrictions on agricultural products from the United States and other surplus countries were moderate. In some important markets, such as the United Kingdom and the Netherlands, imports were virtually free of restriction. It is true that toward the end of the century a tendency started, especially in Germany and France, toward a higher degree of protection for domestic agricultural industries, but until the outbreak of the World War there were no insurmountable barriers in Europe to the sale of American agricultural products.

Beginning in about 1900, our agricultural exports began to decline, primarily because our own expanding population needed a larger part of our total production, leaving less available for world markets. For some products, exports continued at as high a level as before, as in the case of cotton, fruit, and tobacco. Even our exports of wheat were fairly well maintained.

EFFECTS OF THE WORLD WAR

The World War ended, at least temporarily, an era in which governmental control of foreign trade and other aspects of economic life were at a minimum. It has become axiomatic that modern wars cannot be fought without a high degree of governmental control over economic affairs. Even in the World War the European belligerents finally found it necessary to create a vast network of governmental controls. The war itself, through submarine warfare and the British blockade, interfered tremendously with the normal flow of products to and from Europe.

Our agricultural exports did not decline, however, as a result of the World War. On the contrary, with the exception of cotton, they showed a great expansion during the war period, and for several years thereafter. Fundamentally this was because the warring European nations found it impossible to maintain their own production of foodstuffs, and the United States was the readiest source of supply and credit.

The World War had one extremely important economic consequence, the significance of which was generally overlooked at the time. This was the change in the status of the United States from a debtor country, owing payments on the capital it borrowed abroad, to a creditor country to which other nations owed money. As a debtor country we had to export more than we imported in order to pay the interest on our debts. As a creditor country we had to increase our imports above exports (including both goods and services) sufficiently to enable foreign countries to pay what they owed us, if we expected to get paid.

Evidence that this aspect of the situation was largely overlooked is to be found in the raising of import restrictions by the United States almost as soon as the war was over. We had first the Emergency Tariff Act of 1921 and then the general Tariff Revision of 1922, which carried protection to new heights. We deliberately prevented foreigners from earning, through sales of goods to us, the dollars they needed to pay their debts to us.

In spite of our increased restrictions on imports during the 1930's, however, we continued a substantial volume of agricultural exports. This volume declined, it is true, toward the end of the decade; but this was largely because Europe had by that time restored its own agriculture and had less need for such products as wheat and pork.

Even though agricultural exports declined somewhat during the 1920's, they continued substantially larger than in the years immediately preceding the war, and

our exports of all products were maintained at very high levels. How was this possible in the face of increased restrictions on imports? The explanation is to be found in the large loans that were made first by the Government of the United States and then by its citizens to European countries, especially Germany. These loans created dollar exchange, which could be used for purchases in the United States, in the hands of the European countries. Although some of the dollars were used to purchase American securities, most of them were used for purchases of products from our farms and factories.

DECLINING EXPORT MARKET

With the advent of the world depression of the 1930's, new loans from the United States to foreign countries almost ceased. The depression also cut down our imports of certain essential raw materials needed by our industry and eliminated a source of dollar exchange for our customers abroad. The prop that had been holding up the export trade of the United States for more than 10 years was abruptly removed.

This, however, is only part of the explanation of the tremendous decline in the export trade of the United States during the early 1930's. Another important cause was the development of additional restrictions on imports by European countries. These restrictions took new and varied forms, largely in the nature of import quotas or other quantitative controls on imports rather than increased import duties. An early example of such quantitative restrictions is found in the case of wheat imported by France, Germany, and other European countries. They took the form of requirements as to the percentage of domestic wheat that could be used by flour mills in these countries. The French Government at one time required that 98 percent of the wheat used in domestic mills be of domestic origin. This left little use for wheat from the United States or Canada.

Restrictions of this kind may perhaps be attributed primarily to the desire to assist domestic agriculture and to bolster domestic economies in the face of the world depression. There was undoubtedly, however, another basic reason for the increase in international trade barriers during the 1930's. This was the desire on the part of certain European countries, notably Germany and Italy, for greater self-sufficiency in agricultural production as a matter of military preparedness.

Whatever the reasons back of the rising restrictions, the result was that European imports of agricultural products became less and less. At the same time, the production within Europe of commodities to take the place of those formerly imported steadily increased. In some cases these products were synthetic substitutes. The best example of such substitution is the greatly expanded production of the so-called staple fiber, a kind of rayon that can be spun in the same way as cotton. Another interesting example was the tremendous increase in the use of whale oil for the manufacture of margarine to replace such animal fats as butter and lard.

PRESENT AGRICULTURAL EXPORT SITUATION

The present European war has caused a loss of all of our markets in continental Europe. These markets formerly accounted for approximately one-third of our farm exports. Before the war the United Kingdom accounted for another third. Exports of farm products to the United Kingdom have greatly declined, largely because the British Government, in the face of a limited quantity of dollar exchange, has restricted its purchases to strategic industrial products. As a result, although our total exports to the United Kingdom since the war started have been much larger than they were in pre-war years, the share of agricultural products declined from 46 percent during the year preceding the war to 26 percent during the first year of war. Recently the proportion has fallen even lower.

What these war conditions have meant to our agricultural exports can best be seen by examining the prospects for exports of the 1940 crops. In the case of cotton, by far the largest agricultural export item, our normal exports are about 6 million bales. There is virtually no possibility that our exports of cotton during 1940-41 will reach 2 million bales, and they may be considerably less. We also have a reserve of about 12 million bales that could readily be spared for export.

One of the outstanding features of the war situation, and one that is likely to have an influence on the foreign trade of the United States for many years, has been the adoption of thoroughgoing foreign-trade controls - not only in totalitarian countries, where controls are an old story, but also in such democratic countries as France, before its occupation, and the United Kingdom. As a matter of fact, the Government of the United Kingdom had more definite control over its foreign trade within 2 months after the outbreak of the current war than it had 2 years after the outbreak of the war of 1914-1918.

The present position of our agricultural export trade might be summed up as follows: In the current fiscal year beginning on July 1, which corresponds roughly to the second year of the European war, our agricultural exports are running at a rate equivalent to a value of about 366 million dollars annually. This figure compares with average agricultural exports of about 765 million dollars annually during the previous 10 years. At present the only significant European outlet for our agricultural exports is the United Kingdom, and this market is much smaller than it was in peacetime.

Japan, because of its considerable takings of American cotton, has in the past been the largest foreign market outside of Europe for our agricultural products. Recently, however, Japanese takings of American cotton have fallen off, and the prospects for sales in the months immediately ahead are not at all promising.

This leaves for consideration the markets that may exist in the Western Hemisphere. Of these the only ones sufficiently important to be noted are Canada and Cuba. So far Canadian purchases of our agricultural products have held up extremely well; in fact, we have been selling more agricultural products in Canada since the war started than we ordinarily sell there in peacetime. In the case of

Cuba also our exports of such products as rice, wheat flour, and lard have been well maintained, but prospects for the immediate future are not at all good because of the difficult economic situation in the Island, resulting from the loss of Cuba's market for sugar in Europe and the decline in takings of Cuban sugar by the United States. Other Latin American countries have taken somewhat more of our agricultural products than in the years immediately preceding the current war. Collectively, however, these Latin American markets do not represent as large a present or potential outlet as any one of a number of the smaller continental European countries, such as the Netherlands, Belgium, and Sweden, whose markets are now lost to us because of the war.

So much for the present situation. What of the future? Without attempting to prophesy the outcome of the war, it is possible to suggest certain conditions that will exist regardless of how long the war lasts or what the international lineup may be in the post-war world. In the first place, purchasing power in European countries will be greatly reduced as a result of impoverishment resulting from the war. Certainly it will be some time after the war ends before the countries that represent the principal potential outlets for American agricultural products can resume production of the goods they must have to exchange for overseas products.

In the second place, it seems certain that restrictive controls, which accumulated over the entire decade of the thirties and which have become even stronger since the outbreak of the European war, will continue for some time after the war ends. It may be expected that governments will continue to a considerable extent their direct controls over foreign trade. This means that in order to obtain a reasonable share of such trade as may exist in the post-war world it will be necessary for the United States Government to take a more positive part in the business of foreign trade.

At any rate, it is clear that the problem of our agricultural export trade in the post-war world is going to present difficulties. The experience of the past decade, however, which saw a succession of crises - economic, financial, and political - and which witnessed the totalitarian drive toward self-sufficiency, has prepared us to cope with the difficulties ahead.

HEMISPHERE TRADE AND THE FARMER

The present war has brought closer home another problem vital to the farmer - that of the defense of the Western Hemisphere. Hemispheric solidarity is not an entirely new question. It dates back to the historic Monroe Doctrine of nearly 120 years ago. In its general political and military aspects the problem has become familiar through continuous discussion during recent months in the press, on the radio, and from the platform. The farmers have the same general interest in hemispheric defense, which really means our own national defense, as any other group of our citizenry. It is well understood now that defense against total war must be total defense; that it has not only military but also vital economic phases, among which foreign trade ranks high in importance.

Latin American countries would be especially vulnerable to economic penetration should the totalitarian ideology become entrenched in Europe, because the European market provides an outlet for more than half of Latin America's exports and accounts for more than 40 percent of its imports. The exports are predominantly agricultural and mineral products and are confined, for each of the Latin American Republics, to a few staple products that form the bulk of the export trade. In Argentina these are cereals, flaxseed, meat, and wool; in Brazil, coffee and cotton; in Colombia, coffee, petroleum, and bananas; in Cuba, sugar; in Venezuela, petroleum and coffee.

These exports represent a high proportion of the total output of the products and also a large proportion of national production. They must provide the means of paying for necessary imports, particularly of manufactured products. This also holds true, to a lesser degree, for Canada, in spite of its greater industrial development. There is little doubt, therefore, that the war has hit Latin America even harder than it has hit us with our diversified industries and larger domestic market. Closer economic cooperation with the Latin American Republics to bolster their economy will be necessary if the danger of totalitarian economic penetration and the military danger that goes with it are to be warded off.

What does inter-American economic cooperation, in which so many agricultural exporting countries are involved, mean to American agriculture? Does it mean, for instance, that we shall be flooded with Argentine wheat and corn and Brazilian cotton and tobacco in unrestricted competition with our own farm products? It is undeniable that there are fears of this sort among our farm population. An analysis of the situation, however, should convince any farmer that such fears have no real foundation. It has not been proposed that we take wheat or corn from Argentina or cotton from Brazil when we have surpluses of our own.

It would be a different matter if we should get together with Argentina and Canada to tackle the problem of the orderly production and marketing of wheat so as to eliminate these unwieldy surpluses from which we all suffer. This was the type of cooperative action that the leading wheat-producing nations, including the United States, were planning on the eve of the war, and they would have succeeded in bringing about an international wheat agreement had it not been for the outbreak of hostilities. Still, three of the leading wheat-exporting nations - Canada, Argentina, and the United States - are in the Western Hemisphere, and there seems no reason why they should not continue this cooperative effort, which Australia might also join. Should it prove necessary to deal with the totalitarian powers, obviously a combination of the leading producers of an important commodity like wheat would be in a stronger bargaining position than these countries could be individually. This is true also of cotton, of which Brazil, for example, is a leading exporter.

There are, however, a number of products that could be increasingly imported from Latin America with a beneficial effect to all concerned. Let us analyze further the trade with our Latin American neighbors. In 1939, for instance, our exports to Latin America were valued at approximately 560 million dollars. Of this nearly nine-tenths consisted of nonagricultural and only one-tenth of agricultural products.

The situation was almost the reverse in the case of our imports from Latin America, which were valued at over 490 million dollars and were about four-fifths agricultural and one-fifth nonagricultural. This relationship is typical of our trade with Latin America.

If we examine more closely the agricultural items in these imports, we find that they may be divided into two groups: first, those complementary commodities that we cannot produce at home - tropical products such as coffee, bananas, cocoa, and certain fibers. These complementary goods, which constitute over half the agricultural imports from Latin America, obviously do not compete with our farm products and enter duty free. The second group, comprising a little less than half our agricultural imports, consists of so-called supplementary items - commodities produced in the United States or which can be readily substituted for our domestic products. As a rule the domestic production of these commodities is not yet sufficient to cover our requirements fully in spite of tariff protection. Among these are sugar, vegetable oils, oilseeds, cattle hides, certain classes of wool, and cigar tobacco, as well as feed grains in years of poor crops in this country.

As to such supplementary items as flaxseed and other vegetable-oil materials, we may look forward to increased domestic production rather than to increased imports. It is likely that the loss of foreign markets for certain of our staple export crops will stimulate increased production of commodities that have been largely imported before. Still, imports of some supplementary products, such as hides and the less competitive types of wool, might be increased with beneficial effects. Someone has said that to supply from domestic sources all the leather needed in the United States would require the development of a breed of cattle that would shed their hides each year as snakes do.

Again, when a serious drought occurs, as in 1934 and 1936, it is fortunate that we have in South America a supplementary source of feedstuffs. True, such imports have often been deplored by those who argue that they displaced so many thousands of acres of United States crops. Unfortunately for this argument, it was because the crops were not here, because they had been destroyed by the drought, that imports were increased. If they had not been available, how much worse the livestock and dairy situation would have been.

International trade is a two-way affair, and it is primarily through our imports that our American neighbors can obtain the purchasing power needed to buy our products. They do not need our wheat and corn any more than we need theirs. But they do want our automobiles, trucks, and machinery of every kind. This demand, if we could be paid by Latin American goods, should increase employment in factories, with the result that factory workers could use more butter and milk at better prices.

Since our purchases of supplementary goods cannot be expected to increase to any great extent, it is fortunate that Latin America also sends us considerable quantities of complementary, noncompetitive tropical products, constituting more than half of our agricultural imports from these countries. Moreover, there is the possibility of an expanded production of other goods of this nature, which we have

been purchasing from the Far East. A shift of such purchases to Latin America would not only have a beneficial effect on our Latin American trade but is an important element of national defense. Should shipments of these products from the Orient be interrupted, serious difficulties for our industry and defense program would undoubtedly result.

By far the most important of such products is, of course, rubber. The United States is the largest consumer of rubber in the world. We obtain practically our entire supply from the Netherlands Indies and from British Malaya and other Asiatic countries at an average cost of over 160 million dollars annually. Imports of rubber from Latin American sources are negligible in spite of the fact that the rubber tree is a native of tropical America and that this region was the original source of the world's cultivated rubber. Certainly it should be possible to expand substantially the production of rubber in Latin America. This holds true also of the cinchona plant, the source of quinine; of abacá, which supplies the Manila hemp of commerce; and of many other agricultural plants yielding tropical vegetable oils, drugs, and insecticides, as well as many varieties of hard woods in which tropical America is rich.

SUMMARY

In reviewing the world situation we have found that our present agricultural export position is unfavorable and the future prospect not at all promising. This does not mean that there will be no agricultural exports. It does mean that American agriculture must plan its operations on the basis of a foreign market considerably reduced from that to which it has been accustomed.

The unfavorable outlook for exports points to a continued contraction in the United States of the acreage producing such crops as cotton, corn, wheat, tobacco, and other major export items. Now it must be recognized that acreage taken out of the production of these crops may be used for the production of other crops that are consumed chiefly, or solely, in the United States. It is likely, for instance, that there will be an increase in the output of dairy products in the export regions. This does not necessarily mean that even without improvement in the general economic situation there would be an increase in the supply of such products without a corresponding increase in demand. There undoubtedly exists - in some of the export-producing regions, among the farmers themselves, and among low-income urban groups - the need for additional supplies of such protective foods as dairy products.

A more important factor in the general situation, however, is the prospect of a greatly increased commercial demand for such products, not only because of the present defense program but because of the probable long-time consequences of our program of hemisphere solidarity.

The strong United States policy of improving relations with the countries of the Western Hemisphere is an important element in national defense. This policy does not imply a sacrifice of our domestic market to other farmers in the Western

Hemisphere. On the other hand, it cannot be expected to open up in the Western Hemisphere markets for agricultural products at all comparable to those which we formerly enjoyed in Europe.

There can be little doubt, however, that our exports of industrial products to Latin America will be materially expanded, if those countries are provided with the means of paying us for them. Moreover, the development in Latin America of the production of such complementary products as rubber and other tropical commodities will provide a means of payment. The resulting increase in our exports of manufactured products will mean an expansion in United States industrial activity and, therefore, in the purchasing power of city people for the output of American farmers.

RATIONING IN THE UNITED KINGDOM

By J. H. Richter*

In total war, and under conditions such as the European nations face, drastic restrictions of everyday consumption are inevitable. Since these restrictions must extend to even the most essential products, such as food and clothing, it is imperative that distribution be regulated so as to assure each member of the community a fair share in the reduced supply. Under the given distribution of incomes, the price mechanism cannot perform this task; for if price adjustments were relied upon to regulate the allocation of essential supplies, the lower-income groups, unable to pay greatly increased prices, would have to go without important necessities. It is because of this situation that all the major European deficit countries have found it necessary to control or fix prices and ration those essential foods of which there is a shortage. In the United Kingdom rations are now in force for butcher's meat, bacon and ham, edible fats, sugar, and tea. The following article describes the background and operation of the rationing scheme as applied in the United Kingdom and discusses briefly the quantitative restrictions of consumption that the existing rations imply.

THE ECONOMIC SETTING OF THE PROBLEM

The enormous requirements of a war of resources and the blockade and counter-blockade have placed the economies of the European nations under a most formidable strain - a strain which must fall upon consumption to a measurable extent. For there are only three possible ways in which a nation can meet the additional war requirements of material goods and services: through increased productive effort, through inroads on capital reserves, and through curtailment of current consumption. In view of the magnitude of war requirements under modern conditions the possible increase in productive effort and the possible inroads upon existing capital reserves cannot provide all that is needed. A curtailment of everyday consumption, therefore, seems inevitable.

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Moreover, in the United Kingdom there are special factors arising from the country's great dependence on overseas trade and the shipping situation in wartime which work in the same direction. About 80 percent of all the consumption in the United Kingdom met by retail sales consists of food, drink, tobacco, and clothing - that is, of goods produced from agricultural products and raw materials. At the same time Great Britain normally depends on overseas food supplies for perhaps as much as two-thirds of her total food consumption, and her relative dependence on overseas supplies of agricultural raw materials is still greater. In a protracted war, therefore, agricultural raw materials, feedstuffs, and foodstuffs must bear the full brunt of whatever curtailment of consumption proves necessary.

RESTRICTION AND ALLOCATION OF CONSUMER SUPPLIES

Retail rationing of foodstuffs in the United Kingdom cannot be regarded as a direct device to curtail consumption, but is rather a means of allocating among consumers as equitably as possible supplies that have already been restricted by other measures. The entire set-up of wartime control, as it has developed from the steps taken during the first year of war, operates to bring about a curtailment of consumption primarily through a physical control of wholesale supplies, notably supplies from imports. In other words, a necessary restriction of consumption is being effected from the supply side rather than from the demand side. Imports of all important agricultural commodities are controlled in one way or another. They are either being made directly for government account, or privately for distribution in accordance with government instructions.¹ Freight space is also allotted discriminately, according to the exigencies of the shipping situation and the degree of national importance of individual import items. Furthermore, exchange control has also been made an instrument of wartime import policy, and a system of manufacturing priorities for government contracts, exports, and other classes of urgent requirements has been brought into operation.

Under this system of multilateral control, supplies for ordinary civilian consumption are tending to be reduced at their sources, while the money incomes of the community, as the result of an expansion of employment and production and higher rates of remuneration, are on the increase. A declining supply of goods in consumer markets is thus confronted with a rising amount of purchasing power in the hands of potential consumers. How, then, is the available supply of goods to be distributed among the consuming public? This is the problem in dealing with which physical rationing of consumption must play its part.

THE CASE FOR RATIONING

It is the declared policy of the British Government and the desire of all parties that prices be kept from rising more than is justified by an inevitable

¹ For a comprehensive description of food control in the United Kingdom as instituted in the early months of the war see article on "British food control" (*Foreign Agriculture*, Dec. 1939).

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increase in costs, in which the depreciation of sterling, war risks, and the rise in freight rates are most important factors. However, the coincidence of reduced consumer supplies with larger potential consumer purchasing power must needs defeat that aim unless the surplus buying power is rendered ineffective. Although taxation and saving may contribute much to this end, social, political, and psychological considerations make it quite unlikely that rates of taxes and savings could be raised to a scale sufficient to remove all surplus buying power and with it the fear that under soaring prices essential consumer supplies would be most inequitably distributed.<sup>2</sup>

These conditions were finally fully appreciated by the government and the public. It was realized that to effect an equalization of supply and money demand only by letting costs of living rise freely would be a grave social injustice. The rise in prices would place much heavier burdens on the lower incomes, and whereas the higher-income classes could maintain their essential pre-war consumption, the low-income groups would have to bear almost the whole weight of restriction and might even have to go without important necessities. It was also generally realized that the device of unchecked price adjustments is doubly dangerous, since many wage rates are linked with the cost of living, and prices and wages might start spiraling upward.<sup>3</sup>

#### OFFICIAL ATTITUDE

The government after some hesitation fully accepted the principle that for a number of essential foods the equalization of supply and demand must be effected, or at least helped, by rationing. It may even be said that something like the idea of an "iron ration" for all - a minimum standard of essential consumption which everyone can afford because of assured supply at low fixed prices - has gained support in government quarters. Since December 1939 the Chancellor of the Exchequer has been making subsidies available to keep down the prices of some essential foods, chiefly bread (wheat), meat, milk, and bacon. Bacon and ham, butter, and sugar have been rationed since January 8, 1940; meat since March 11; tea since July 9; and margarine and cooking fats since July 22.

Until the adoption of the first rationing scheme the official attitude toward rationing had been hesitant. At the beginning of the war the need for rationing of a number of foodstuffs was much emphasized in expectation of more extensive interference of war operations with shipping and supplies. Later, when such interference proved less serious than had at first been assumed, a more lenient attitude was taken. Administrative difficulties also seemed to suggest that a delay in the adoption of

<sup>2</sup> Social, political, and psychological considerations similar to those that have so far restrained drastic action in the field of taxation have also prevented the acceptance of J. M. Keynes' scheme of "compulsory saving" or "deferred pay." (For Mr. Keynes' scheme see the *London Times*, Nov. 14, 15, 29, 1939; *Economic Journal*, Dec. 1939; and Keynes' pamphlet *How to Pay for the War*, Macmillan Co., London, 1940.)

<sup>3</sup> To some extent, of course, a rise in general prices (including deterioration in qualities) beyond the limits officially sanctioned - that is, the limits set by a rise in costs - is unavoidable, no matter how effectively purchasing power will be controlled. Costs of living since the outbreak of war have already risen by 21 percent, and will probably rise further. (Cf. article on "War-time Price Control in the United Kingdom," *Journal of Farm Economics*, Nov. 1940.)



rationing schemes might be desirable and that the schemes would be assisted if it were possible first to complete a National Register (meanwhile taken in November 1939), to organize the necessary administrative machinery, and study required distributive methods. Thus for a time deferring a final decision, the government's attitude tended to obscure the fundamental fact that, at a time when a rise in money incomes was inevitable, the exigencies and conditions of the war economy must of necessity reduce consumers' supplies, even though this reduction might not be brought about primarily by losses in war operations.

Rationing of some foods was finally accepted by the authorities as unavoidable, and a broader realization of the general economic character of the issue has superseded the point of view advanced in the early months of the war. As already stated, with the adoption of a policy of food subsidies, official cognizance has even been taken of the desirability of measures that would assure a minimum supply of essential foods at prices within the means of everyone.

#### RATIONING IN OPERATION

Technically, rationing is based on detachable weekly coupons for the various types of food, contained in the ration books issued in November 1939 and replaced by new books in June 1940. Consumers were required to register with those shops from which they chose to obtain their various ration supplies. Beginning with January 8, 1940, rationing in the United Kingdom became effective for bacon and ham, butter, and sugar; butcher's meat was rationed from March 11; margarine and cooking fats (the former combined with the butter ration) from July 22; and tea from July 9.

The normal ration for bacon and ham (taken together) was at first fixed at  $3\frac{1}{2}$  ounces per person per week for cooked ham and bacon, free of bone, and at 4 ounces for uncooked. However, an appreciable share of the public was unable to buy the full rations at the prevailing increased prices, so that stocks accumulated in distributive channels. As a result, these rations were doubled from the end of January, but from June 10 they were restored to their initial levels. Similarly, the butter ration, fixed at 4 ounces per week from January 8, 1940, was doubled on March 25. It was reduced to its previous level on June 3, and on July 22 was included in a joint butter-margarine ration of 6 ounces per week, plus 2 ounces of cooking fat to be taken in lard, compound lard, or margarine. Fats other than butter had not previously been rationed. On September 2 the butter share in the (unchanged) joint margarine-butter ration was limited to a maximum of 4 ounces per week, and from September 30 to 2 ounces per week. These gradual reductions reflect not only the elimination of supplies from continental sources, the increasing difficulties of the shipping situation, and the seasonal tendency of domestic and overseas production, but also the desire of the authorities to conserve or even add to their reserve stocks.

The ration of fresh meat which took effect on March 11, 1940, is on a value basis, as it was in 1918. All persons over 6 years of age were allowed a weekly ration of meat worth 1s. 10d. (equivalent to 37 cents); children 6 years of age or under were given a ration of half this amount. The principal reasons for fixing the

meat ration by value instead of by weight are considerations of social equity and justice. The rations of meat of varying quality and proportion of bones should be as nearly as possible equal in food value. Since prices for the various cuts allow to some extent for differences in quality and proportion of bones, rationing by value may be considered a satisfactory method to take account of those differences. Pork was excluded from and freed of the ration on April 9, 1940, as a result of ample supplies. Beginning with September 11, canned corned beef was included in the fresh meat ration to provide supplies in areas where fresh meat, as a result of war operations, may not be available or usable. From September 30 to December 15, 1940, the meat ration was 2s. 2d. (44 cents) per person because of temporarily increased supplies.

Sugar, which was rationed from January 8, 1940, at 12 ounces per week plus certain additional allowances for marmalade and jam making "in the season," was reduced to 8 ounces from May 27. Tea was rationed from July 9, with 2 ounces allowed per person per week. Special provisions in the case of all rationed foodstuffs regulate the serving of foods by catering establishments, with or without coupons (see table 1).

TABLE 1.—*Rationed foods, weekly rations, and ration periods in the United Kingdom, 1940*

| RATION PERIOD<br>1940 | BACON AND HAM<br>COMBINED <sup>1</sup> |               | BUTTER<br>1 | BUTCHER'S<br>MEAT <sup>2</sup> 3  |       | SUGAR<br>1 | TEA | CREAM | BUTTER AND<br>MARGARINE<br>COMBINED <sup>1</sup> 4 |                        | COOKING<br>FATS <sup>1</sup> 5 |
|-----------------------|----------------------------------------|---------------|-------------|-----------------------------------|-------|------------|-----|-------|----------------------------------------------------|------------------------|--------------------------------|
|                       | COOKED<br>FREE<br>OF<br>BONE           | UN-<br>COOKED |             | BEEF,<br>VEAL,<br>LAMB,<br>MUTTON | PORK  |            |     |       | TOTAL                                              | BUTTER<br>MAXI-<br>MUM |                                |
|                       | Oz.                                    | Oz.           | Oz.         | S./d.                             | S./d. | Oz.        | Oz. | Oz.   | Oz.                                                | Oz.                    | Oz.                            |
| Jan. 8-Jan. 28        | 3.5                                    | 4             |             |                                   |       |            |     |       |                                                    |                        |                                |
| Jan. 29-June 9        | 7.0                                    | 8             |             |                                   |       |            |     |       |                                                    |                        |                                |
| Mar. 11-Apr. 8        |                                        |               |             | 1/10                              |       |            |     |       |                                                    |                        |                                |
| Jan. 8-Mar. 24        |                                        |               | 4           |                                   |       |            |     |       |                                                    |                        |                                |
| Mar. 25-June 3        |                                        |               | 8           |                                   |       |            |     |       |                                                    |                        |                                |
| Apr. 9-Sept. 30       |                                        |               |             | 1/10                              | Free  |            |     |       |                                                    |                        |                                |
| Jan. 8-May 26         |                                        |               |             |                                   |       | 12         |     |       |                                                    |                        |                                |
| From May 27           |                                        |               |             |                                   |       | 8          |     |       |                                                    |                        |                                |
| June 3-July 21        |                                        |               | 6 4         |                                   |       |            |     |       |                                                    |                        |                                |
| From June 10          | 3.5                                    | 4             |             |                                   |       |            |     |       |                                                    |                        |                                |
| From July 9           |                                        |               |             |                                   |       |            | 2   |       |                                                    |                        |                                |
| July 22-Sept. 1       |                                        |               |             |                                   |       |            |     |       | 6                                                  | (7)                    | 2                              |
| Sept. 2-Sept. 29      |                                        |               |             |                                   |       |            |     |       | 6                                                  | 4                      | 2                              |
| Sept. 30-Dec. 15      |                                        |               |             | 2/2                               | Free  |            |     |       | 6                                                  | 2                      | 2                              |
| From Oct. 1           |                                        |               |             |                                   |       |            |     | (8)   |                                                    |                        |                                |
| From Dec. 16          |                                        |               |             | 1/10                              | Free  |            |     |       |                                                    |                        |                                |

<sup>1</sup> Children entitled to the same rations as adults.

<sup>2</sup> Children entitled to half the adult ration, which is fixed on a value basis. It may be estimated that on an average during the half-year ended Sept. 30, 1940, 1s. 10d. (37 cents) bought about 2 pounds of meat; 2s. 2d. in October 1940 about 2 pounds 3 ounces.

<sup>3</sup> By order of the Ministry of Food of September 10, 1940, canned corned beef was included in ration for butcher's meat as from September 11. At the same time the price of canned corned beef was fixed at 1s. 2d. per pound net, and it was specified that the amount purchased under the meat ration must not exceed a certain maximum share of the total ration for any one week.

<sup>4</sup> Margarine was not rationed prior to July 22.

<sup>5</sup> To be taken in lard, compound lard, or margarine, in addition to the joint butter-margarine ration.

<sup>6</sup> As from July 22, butter was placed under a joint butter-margarine ration.

<sup>7</sup> Not specified.

<sup>8</sup> Sale prohibited.

Compiled from official sources.

Prices of all foods so far rationed are controlled and fixed; yet largely as a result of the considerable increase in the cost of imported foodstuffs and feedstuffs the rationed foods are retailed at prices substantially higher than before the war. As a result, in the first several months of 1940, when rationing allowances were comparatively liberal, certain groups of consumers could not buy their full share of the rationed foods.<sup>4</sup> The price increase was particularly marked in the case of foods of a quality usually bought by the low-income classes, since these foods are largely imported, and import prices have risen most. Thus in the first year of war the price of salt butter rose by fully 22 percent, whereas that of the more expensive fresh butter increased only 13 percent. Increases in meat prices ranged from 7 to 25 percent for high-quality British meat and from 15 to 34 percent for chilled and frozen meat. Average retail prices of bacon rose 23 percent, and of granulated sugar 64 percent (33 percent due to the increased sugar duty provided for by the 1940 budget).

In these circumstances (that is, because in some cases the consumption of essential foods is restricted by price-income ratios rather than by the physical limitations set by the rations) the major objective of rationing - an equitable distribution of essential food supplies - cannot be fully accomplished. It is understandable, therefore, that the government has from the first shown itself sympathetic toward the idea of limiting the increase in prices of essential foods, which, even considering their small accustomed takings or limited rations allowed, began to outgrow the buying power of the low-income group.

With certain adjustments the policy of subsidizing the prices of some essential foods - bread (wheat), milk, meats, and bacon - initiated in December 1939 could go far in helping to realize the concept of a minimum ration of consumption goods, not only theoretically but actually within the reach of all. At present the British Government is paying food subsidies at the rate of about 60 million pounds per year (about 242 million dollars); and it is claimed that the bread price is thereby kept at 15 percent and the milk price at about 11 percent below what they would be if no subsidies were paid. Considerable reductions are also said to apply in the case of bacon and domestic meat.<sup>5</sup>

### COMPARISON OF BRITISH AND GERMAN FOOD RATIONS

The present British food rations cannot actually be compared with those in effect in other countries. The food habits and standards of nutrition of the various

<sup>4</sup> According to a survey by the British Institute of Public Opinion at the beginning of March 1940, only 62 percent of the families polled bought their full ration of bacon and ham, and only 85 percent their full ration of butter (*News Chronicle*, Mar. 11, 1940). Meat was not as yet rationed at the time the poll was taken.

<sup>5</sup> When on July 1, 1940, the price of milk was raised from 3.5 to 4 pence per pint to cover increased distributive cost, measures were taken to offset the impact of this increase on consumption by low-income groups. The provision of free milk in schools was extended, and 1 pint is being made available at 2 pence for every expectant and nursing mother and for each child under 5 years who is not attending school. This allowance may be obtained free if the income of the parents is less than 2 pounds per week (plus 6 shillings per week for each nonearning dependent), or if the head of the household is receiving public or unemployment relief or a supplementary old-age pension. There was a further increase in the ordinary price of milk by half a penny per pint as from December 1, 1940.



countries differed too greatly before the beginning of wartime rationing to allow of a conclusive comparison of the rations for any one product. Furthermore, only such food items as are rationed in all the countries chosen could be quantitatively compared, and not enough is known about the levels of consumption of unrationed foods.

In a comparison between the United Kingdom and Germany, for example, it must be remembered that at present, in addition to fats, meat, and sugar, which are rationed in both countries, bread, milk, and cheese are rationed in Germany but not in the United Kingdom (in Germany milk is available only to children and expectant or nursing mothers). Consumption of eggs is greatly restricted in Germany; in the United Kingdom supplies to consumers are less drastically reduced. Moreover, food consumption in the United Kingdom was fully up to peacetime standards until well into 1940, whereas in Germany consumption of fats, meat, eggs, and fruit has been more or less restricted for several years.

On the other hand, the proportion of the population that is actually buying full rations, at largely unchanged prices, is larger in Germany than in the United Kingdom, where food prices since the outbreak of war have substantially increased. In the United Kingdom the allowances for adults of the various rationed items are at present uniform, except for higher consumption by soldiers and farmers. In Germany, however, apart from such higher consumption by soldiers and farmers there are larger allowances for "long or night workers," "hard workers," and "very hard workers," compared with those for so-called "normal consumers." It is not known how many people fall into each of these groups; therefore, no weighted average rations are available. Children in the United Kingdom have smaller rations than adults only in the case of meat, whereas in Germany such special rations for children apply also in the case of fats and other products. How far consumption by adults is raised as a result of an allowance of adult rations for children is also a matter of conjecture.

All these factors make numerical comparisons among countries subject to so many qualifications that a presentation of mere figures becomes either meaningless or even misleading. The only statement that can safely be made in regard to comparative rations in the United Kingdom and Germany is that 1940 rations and levels of civilian per capita consumption of meat, both absolute and in relation to the pre-war level, have been considerably higher in the United Kingdom than they were in Germany. In the case of fats Germany appears to have some advantage in absolute comparison, though in percent of pre-war consumption the German advantage may be slight, since even at the restricted levels of recent years pre-war per capita fat consumption in Germany was larger than in the United Kingdom. The sugar ration is somewhat larger in Germany than in the United Kingdom and therefore considerably larger in percent of the pre-war level (with normal pre-war sugar consumption per capita in the United Kingdom about twice as large as in Germany).

#### PRESENT RATIONS, PRE-WAR CONSUMPTION, AND OTHER COMPARISONS

On the whole, present rations in the United Kingdom reflect a measurably reduced supply and consumption. Sir John Orr's estimates of consumption in 1934, based

on working-class budgets, gave consumption figures for butter and sugar much above the rations now allowed. The allowance of 8 ounces per week for butter, margarine, and other edible fats (taken together) is less than two-thirds of average per capita consumption before the war. Sugar and bacon are rationed at about half of average peacetime per capita consumption. Compared to 1934 the (uncooked) bacon ration of 4 ounces per person per week is much below the average (7 ounces) of the budgets studied, in which average consumption of the lowest-income group (with a food expenditure of 4 shillings per person per week) was estimated at 4.3 ounces.

TABLE 2.—*Estimated weekly per capita consumption of specified foods in the United Kingdom before 1939, and 1940 rations*

| FOOD                           | CONSUMPTION       |                   |                                   |                                   | RATION ALLOWANCES<br>END OF<br>1940 <sup>1</sup> |
|--------------------------------|-------------------|-------------------|-----------------------------------|-----------------------------------|--------------------------------------------------|
|                                | 1934 <sup>1</sup> | 1936 <sup>2</sup> | AVERAGE<br>1934-1936 <sup>2</sup> | AVERAGE<br>1937-1938 <sup>2</sup> |                                                  |
|                                | Ounces            | Ounces            | Ounces                            | Ounces                            | Ounces                                           |
| Butter, margarine, other fats: | 13.0              | —                 | —                                 | 12.6                              | 8                                                |
| All meat .....                 | 38.2              | 45.5              | 44.5                              | 42.0                              | —                                                |
| Less about 30 percent for :    |                   |                   |                                   |                                   |                                                  |
| other than butcher's meat:     | 12.8              | 13.5              | 13.8                              | 12.6                              | —                                                |
| Butcher's meat .....           | 25.4              | 32.0              | 30.7                              | 29.4                              | 28-32                                            |
| Bacon (uncooked) .....         | 7.0               | —                 | —                                 | —                                 | 4                                                |
| Sugar (household) .....        | 17.8              | 17.0              | —                                 | —                                 | 8                                                |
| Sugar (industrial) .....       | 9.9               | 12.0              | —                                 | —                                 | <sup>3</sup> 6                                   |
| All sugar .....                | 27.7              | 29.0              | 28.0                              | —                                 | 14                                               |

<sup>1</sup> Excluding wastage in distribution.

<sup>2</sup> Including wastage in distribution. (About 13 percent for meat and 10 percent for bacon.)

<sup>3</sup> Estimated.

Figures for 1934 are estimates by Sir John Orr, based on working class budgets (*Food, Health, and Income*, John Boyd Orr, London, 1936); for 1936, supplied by the Food (Defense Plans) Department (*British Agriculture*, Viscount Astor and B. Seeborn Rowntree); for 1934-1936, calculated from *Report of the Food (Defense Plans) Department for the year ended December 31, 1937*, London, 1938; for 1937-1938, figures in *Feeding the People in War-Time*, Sir John Orr and David Lubbock; for 1940 rations, data compiled from official sources.

The tea ration of 2 ounces may be estimated as representing about three-fourths of average pre-war per capita consumption. The theoretical per capita allowance of butcher's meat, on the other hand, is hardly below average consumption in recent pre-war years. It should be kept in mind, however, that a sizeable group of the population cannot afford to buy their full rations.

Compared with the rations of 1918, the present allowances per person of edible fats and sugar are about the same, of bacon considerably less, and of butcher's meat substantially more. However, relative comparisons make present allowances appear less favorable than do the absolute rations. In 1918 rations and actual consumption per person of edible fats were about the same as per capita consumption before the World War, and of sugar were little less than two-thirds of pre-war consumption. Consumption of bacon and ham in 1918 was materially greater than before

the war and partly offset the 40-percent reduction in butcher's meat. Bacon and ham and butcher's meat (combined) in 1918 showed a per capita consumption of about three-fourths of the pre-war level, while the combined rate of consumption under the 1940 rations is, perhaps, between 80 and 85 percent of the pre-war per capita standard.

TABLE 3.—Average weekly consumption and rations per person in the United Kingdom, 1909-1918 and 1934-1940

| FOOD                         | ACTUAL CONSUMPTION |                   |                   | RATIONS<br>1918   | ACTUAL<br>CONSUMPTION<br>1934-1936 | RATIONS<br>1940 <sup>1</sup> |
|------------------------------|--------------------|-------------------|-------------------|-------------------|------------------------------------|------------------------------|
|                              | 1909-1913          | 1916              | 1918              |                   |                                    |                              |
|                              | : Pounds           | : Pounds          | : Pounds          | : Pounds          | : Pounds                           | : Pounds                     |
|                              | :                  | :                 | :                 | :                 | :                                  | :                            |
| Butcher's meat ...           | 2.04               | 1.81              | 1.27              | 1.00              | 1.92                               | 1.75-2.00                    |
| Bacon and ham ...            | 0.34               | 0.44              | 0.46              | 0.25-1.00         | 0.51                               | <sup>2</sup> 0.25-0.47       |
| Total .....                  | 2.38               | 2.25              | 1.73              | 1.25-2.00         | 2.43                               | 2.00-2.47                    |
| Butter, margarine,           | :                  | :                 | :                 | :                 | :                                  | :                            |
| and lard .....               | 0.53               | 0.58              | 0.54              | 0.44-0.50         | 0.83                               | 0.50                         |
| Sugar (refined               | :                  | :                 | :                 | :                 | :                                  | :                            |
| equivalent) ... <sup>3</sup> | <sup>3</sup> 1.46  | <sup>3</sup> 1.21 | <sup>3</sup> 0.93 | <sup>4</sup> 0.50 | <sup>3</sup> 1.77                  | <sup>4</sup> 0.50            |
|                              | :                  | :                 | :                 | :                 | :                                  | :                            |

<sup>1</sup> October 1940 allowances.

<sup>2</sup> Lower figure for uncooked; higher for uncooked and cooked. Accustomed standards of consumption make for a considerably higher share of "uncooked," compared with "cooked," in total retail sales of "bacon and ham," and "cooked" will in many cases not be substituted for "uncooked."

<sup>3</sup> Total consumption; that is, household and industrial.

<sup>4</sup> Household only.

Figures for 1909-1913, 1916, and 1918 (actual consumption and rations) obtained from *British Food Control*, Sir William H. Beveridge, London, 1928; for 1934-1936, calculated from *Report of the Food (Defense Plans) Department for the year ended December 31, 1937*, London, 1938; for 1940 rations, compiled from official sources.

Since a considerable share of the population does not buy the full rations, it is likely that under the rationing scheme total United Kingdom consumption will fall short of the theoretical total of the per capita rations. Offsetting factors, such as higher individual levels of consumption by farmers and soldiers, will not reverse this possibility. Keeping these qualifications in mind, total United Kingdom allowances may be approximately estimated. The present rations for butter, margarine, and other edible fats seem to permit of a rate of total United Kingdom consumption of little over 60 percent of average annual consumption in 1934-1936. The bacon and ham and the sugar rations would each permit a total consumption of about half of that in 1934-1936; those for tea would work out at between two-thirds and three-fourths of the 1934-1936 average. In the case of sugar the present ration appears to allow a household consumption of roughly one-half of the average annual consumption in recent years. Consumption of sugar for industrial purposes is being curtailed by about the same amount.

It is hardly possible to estimate the restriction of imports which the present per capita rations may imply. At times stocks are laid in in considerable quantities; at times they are heavily drawn upon. The rations are, therefore, expressions of a



composite supply situation as determined by the size of home production, imports, and movement into or out of storage. Assuming no startling shifts in domestic production, and eliminating the influence of changes in stocks, the present rations could be maintained even if imports were restricted to 40 percent of average pre-war imports in the case of fats, and to 30 percent each in the case of bacon and ham, and sugar. In the first year of war imports far exceeded these levels, not only because of larger initial allowances for consumption, but also because of the government's policy of accumulating reserve supplies.

No corresponding estimate of import percentages can be made for meats, since it cannot be assumed that domestic meat production will remain unchanged. Home production of meat will for some time to come be raised by a reduction in livestock numbers necessitated as a result of decreased feed supplies. On the other hand, some of the domestic output, as well as a part of the imports, may not go into current consumption, but rather be accumulated as stocks of canned meat and meat products.

TABLE 4.—Total consumption of specified foodstuffs in the United Kingdom, averages 1934-1936, 1936-1939; 1938-39; theoretical October 1940 ration allowance

| FOOD               | AVERAGE<br>1934-1936 | AVERAGE <sup>1</sup><br>1936-1939 | 1938-1939<br>(ESTIMATED) | THEORETICAL ANNUAL ALLOWANCE<br>UNDER OCT. 1940 RATIONS <sup>2</sup> |                                           |
|--------------------|----------------------|-----------------------------------|--------------------------|----------------------------------------------------------------------|-------------------------------------------|
|                    |                      |                                   |                          | QUANTITY                                                             | PERCENTAGE OF<br>1934-1936<br>CONSUMPTION |
|                    | : 1,000 tons         | : 1,000 tons                      | : 1,000 tons             | : 1,000 tons                                                         | : Percent                                 |
| Butter, lard and : | :                    | :                                 | :                        | :                                                                    | :                                         |
| margarine .....    | 1,015                | —                                 | 1,030                    | 627                                                                  | 62                                        |
| Butcher's meat ..  | 2,343                | —                                 | 2,464                    | <sup>3</sup> 2,240                                                   | <sup>3</sup> 96                           |
| Bacon and ham ...  | 628                  | —                                 | 638                      | <sup>4</sup> 314                                                     | 50                                        |
| Sugar (raw :       | :                    | :                                 | :                        | :                                                                    | :                                         |
| equivalent): :     | :                    | :                                 | :                        | :                                                                    | :                                         |
| Direct human :     | :                    | :                                 | :                        | :                                                                    | :                                         |
| consumption:       | —                    | 1,542                             | —                        | 784                                                                  | 51                                        |
| Industrial :       | :                    | :                                 | :                        | :                                                                    | :                                         |
| consumption:       | —                    | 1,120                             | —                        | 560                                                                  | 50                                        |
| Total ...:         | —                    | 2,662                             | —                        | <sup>1</sup> 1,344                                                   | 50                                        |
| Tea .....          | 218                  | —                                 | 218                      | 157                                                                  | 72                                        |
| :                  | :                    | :                                 | :                        | :                                                                    | :                                         |

<sup>1</sup> According to Report of the Food (Defense Plans) Department for the Year Ended December 31, 1937. Based on data supplied by the American Embassy at London under date of January 29, 1940, adjusted for reduction in sugar ration meanwhile effected.

<sup>2</sup> Rations applied to an estimated 1940 population in the United Kingdom of about 48 million (of which 4 million are estimated to have been 6 years of age or under).

<sup>3</sup> It is not possible to give any dependable estimate for meat, which is rationed on a value basis. It appears that the weighted average price of all meats is about 11 pence per pound—a price that up to September 29, 1940, may have allowed an average adult ration of about 2 pounds per week. The estimate of the total annual allowance given is only tentative and ignores the higher rations in effect during October, November, and the first half of December 1940. A statement by the Minister of Food estimated the reduction in meat consumption, compared with the pre-war level, at 10 percent.

<sup>4</sup> Based on ration of "uncooked" only; see also footnote 2 in table 3.

For 1934-1936, official figures of the Report; for 1940 rations, compiled from official sources.

## CONCLUSION

It is claimed in official quarters that the present rations will not impair health, and in a sense that is probably true. For although the nutritional standard of a considerable share of the population has always been inadequate from a physiological viewpoint, the rations as such, if everyone could afford to buy them, would not seem greatly to restrict previous consumption by the low-income groups. Yet the present restriction of consumption of fats - notably animal fats - appears rather serious. It must also be kept in mind that there is, further, considerable reduction in the supply of unrationed foodstuffs, such as eggs, fruits, and vegetables, which for a nutritionally adequate diet would have to be consumed in even higher quantities by the low-income groups.

Liquid milk consumption in November 1940 was estimated to have been considerably above the level of a year ago, the increase being largely due to the provision of free or low-priced milk for needy children and mothers, and to the lack of condensed milk formerly imported from the Continent. Milk production, on the other hand, because of the shortage of feedstuffs, had declined appreciably from that of 1939, and a reduction in supplies of fresh milk to ordinary consumers proved inevitable. On November 28 the Ministry of Food announced that ordinary consumers' supplies of fresh milk would be restricted by 10 percent.<sup>6</sup> At the same time the ordinary price of milk was further increased by half a penny per pint, and the utilization of liquid milk - including skimmed milk in the manufacture of ice cream - was prohibited effective December 1. The existing shortage of feedstuffs is reducing hog and poultry numbers as well as the output of eggs and milk.

On the whole, the trend in the ration allowances has been downward. The reasons for this tendency in the second half of 1940 were both seasonal and of a more basic character. Officials of the Ministry of Food have repeatedly warned that the gravity of the shipping situation and the extent of shipping requirements for more immediately important purposes are such as to make a further curtailment of less essential imports imperative. This necessity will affect foods as well, and it is expected that less shipping space will be made available for meat imports, and probably none for such fruits as apples, apricots, grapes, and bananas. It is reported that as from January 6 the meat ration was reduced to 1s. 6d. and from January 9 to 1s. 2d. per week, with fresh pork and offals, such as liver, kidneys, and tripe - hitherto unrationed - now included. Weekly variations are to be expected.

With little factual information available, it is much too early to judge the technique and operation of the rationing schemes in the United Kingdom. It has already been mentioned that the main objective of rationing cannot be fully accomplished as long as for a part of the population consumption is being allocated by the existing income and price structures rather than by the physical checks imposed by rationing. An attempt is being made to correct this situation in some respects through

<sup>6</sup> Children, mothers, and hospital needs will receive special consideration, though evacuation has by now much reduced the provision of free milk for school children (see footnote 5). Sales of sweetened condensed milk have been reduced to 40 percent of normal, of unsweetened to 25 percent, and of skimmed milk to 20 percent.

the subsidization of prices for certain essential foods, though no direct adjustment by raising the lowest incomes - for example, through family allowances - has yet been put into effect. Obviously, a given sum used to supplement the income of the poorest classes would benefit them more than if used to lower the prices of some commodities bought by all and of others hardly ever bought by those most in need of assistance. There has also been some evasion of food rationing by tradesmen and consumers, despite the existing penalties. Such evasion as has occurred is made possible by the more basic defect - the maladjustment between incomes and prices in certain social groups. If money can secure supplies exceeding the ration allowance, it is only because certain incomes cannot secure full ration supplies. Notwithstanding these defects and limitations, rationing of essential commodities was a sound measure to take under the conditions with which the country is faced. The system as adopted certainly helps to distribute more equitably the limited supplies of staple foods and other essential products, to control prices, to avoid shop shortages, and to spare the public the hardship of the shop queues.



## WESTERN HEMISPHERE TRADE IN COTTON, 1939-49 . . . . .

*Notwithstanding considerable increases in production elsewhere in the world, the Western Hemisphere countries have accounted in recent years for about half of the world's cotton crop, and somewhat more than half of the world's export trade. In the season 1939-40, the share of the Western Hemisphere was moderately larger than for some years, indicating an interruption if not a reversal of trend. A sharp though only partial recovery of the export trade of the United States in that year largely accounted for the improvement in the Western Hemisphere total.*

During 1939-40 Western Hemisphere countries accounted for approximately 55 percent of the world cotton production and about 60 percent of world exports, both figures somewhat higher than for several years. Although the exports include a small intrahemisphere movement, they represent, for the most part, shipments to Old World countries. Intra-American trade - principally United States shipments to Canada - although exceptionally large, amounted to less than 600,000 bales, or only about 7 percent of total New World exports.

The United Kingdom was by far the most important overseas market, having taken nearly a third of total New World cotton shipments. Purchases were greater by more than 200 percent than in the preceding year when, with its industry depressed and a substantial carry-over of cotton and goods, Britain dropped to third place as an importing country. Although imports from the United States accounted for approximately 80 percent of the total, imports from all sources except Mexico registered an increase.

Japan, although ranking second to the United Kingdom as a buyer of New World cotton, was the only major importing country other than Germany and Poland to show a decrease in imports. Takings from the United States, Peru, and Mexico were greater than during the preceding year, but the increase was not sufficient to offset the decline in imports from Brazil.

German and Polish markets were accessible only for the first month of the season. In consequence, Germany's imports from the Western Hemisphere for the season were only about 14 percent of those for the year before, and exports to Poland amounted to only 7,000 bales, as compared with 211,000 in 1938-39. With the conclusion of civil conflict and with the help of credit from this country, Spain reentered the market on a more nearly normal scale, ranking seventh in the volume of imports. For the most part the remaining countries retained their relative positions.

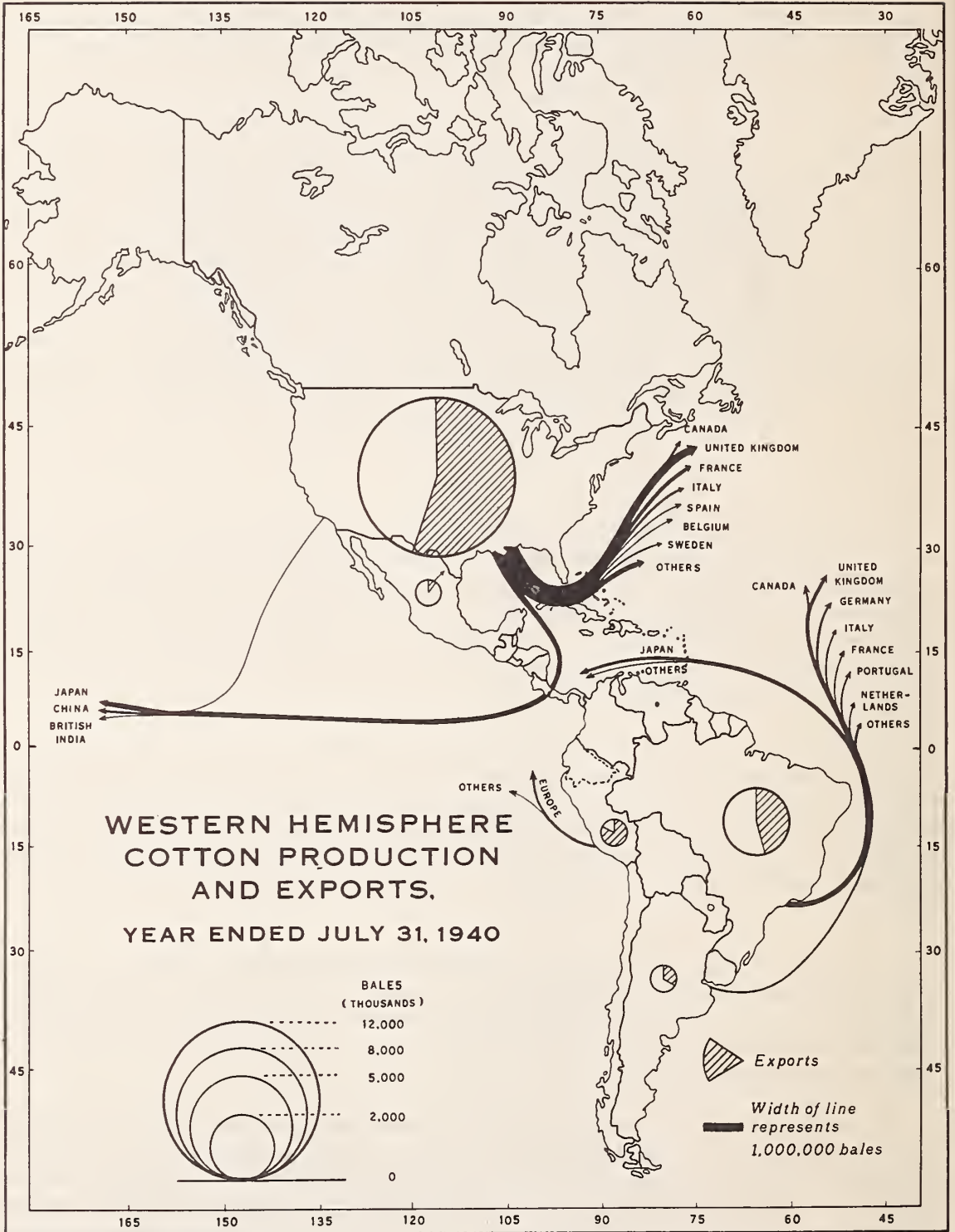


Figure 1.

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*The United States:* Exports from the United States, favored by a combination of circumstances and conditions, made a substantial recovery. Although they were still about 20 percent below the 10-year average, the gain over the preceding year was about 86 percent.

United Kingdom purchases, the heaviest since 1926-27, covered not only the mill requirements of last season but also a considerable part of those of the present season. In consequence, and because of the exclusion of the Central European markets, they represented a much larger proportion (30 percent) of the total than is ordinarily the case. Germany and Poland, cut off by the war for 11 months of the season, were the only important markets to which smaller quantities were shipped.

Exports to Canada, China, and to a number of the smaller European countries that were neutral during the early months of the war were also unusually large. Purchases by Canada, more than twice the average figure, were the highest for any year on record. This increase was attributed to greater demand in the civilian market as well as to heavy production of war materials. Exports to Western Hemisphere countries other than Canada were negligible, amounting to less than 75,000 bales, as compared with total exports of 6,532,000 bales.

*Brazil:* Exports of cotton from Brazil declined 39 percent from last year's record high of 1,609,000 bales and were less than for any year since 1935-36. The decline resulted chiefly from the loss of important continental European markets, inadequate shipping facilities to the Orient, and unfavorable price relationships through a considerable part of the season. Shipments to the United Kingdom showed an increase of 29 percent, while those to Portugal, although relatively small, increased from 14,000 bales in 1938-39 to 52,000 in 1939-40.

Although Brazil shows exports of 11,000 bales to the United States as compared with 5,000 during the preceding year, the greater part of this increase was for transshipment to Canada. Shipments to Japan, the largest market in 1938-39, fell off 46 percent. Those to Germany, the largest market 2 years ago and second only to Japan last year, declined by 268,000 bales, or approximately 80 percent. Exports to all other markets were less than during the preceding year.

*Peru:* Shipments of cotton from Peru declined about 12 percent from the level of the preceding year, but were 8,000 bales greater than in 1937-38 and nearly double the average for the 10 calendar years 1923 to 1932. Six of the 10 leading markets took somewhat larger quantities during the year, but the amounts involved were not sufficient to offset the 81,000 bale reduction in shipments to Germany. Exports to the United Kingdom advanced about 10 percent and represented approximately 60 percent of the total. Japan increased her takings by two-thirds and moved up from fourth to second place in importance as a market for Peruvian cotton. Due to the availability of adequate shipping space from Peru and the difficulties encountered in obtaining Egyptian cotton, Japanese importers showed a tendency to substitute Peruvian cotton for Egyptian. Shipments to Germany were almost negligible, having declined from 88,000 bales to only 7,000 in 1939-40. It is interesting to note that of all markets the United States and Germany were the only two whose purchases were below average.



*Argentina:* Argentina was the only country other than the United States to ship increased quantities of cotton during the year. A high total of 121,000 bales was exported, representing an increase of 5 percent over last year and of 51 percent above the average. German purchases fell off 82 percent during the year, but unusually heavy shipments to the United Kingdom, Spain, and Italy more than compensated for this loss. Smaller increases also occurred in exports to China and Belgium.

*Mexico:* Mexico exported 33,000 bales of cotton during 1939, as compared with 97,000 bales in 1938. The decline appears to have resulted from relatively high domestic prices and an increase in consumption by local mills. Exports to all markets except Japan were considerably smaller than in the preceding year. Paraguay and Haiti, with exports totaling 26,000 and 14,000 bales, respectively, were the only other countries of the Western Hemisphere that exported more than 500 bales.

TABLE 1.—Cotton: Western Hemisphere production and exports, year ended July 31, 1940

| COUNTRY                   | PRODUCTION      | EXPORTS <sup>1</sup>         |                              |                                 |                  |
|---------------------------|-----------------|------------------------------|------------------------------|---------------------------------|------------------|
|                           |                 | TO<br>NEW WORLD<br>COUNTRIES | TO<br>OLD WORLD<br>COUNTRIES | TO<br>UNCLASSIFIED<br>COUNTRIES | TOTAL<br>EXPORTS |
|                           | : 1,000 bales   | : 1,000 bales                | : 1,000 bales                | : 1,000 bales                   | : 1,000 bales    |
|                           | :               | :                            | :                            | :                               | :                |
| United States .....       | 11,817          | 503                          | 6,029                        | 0                               | 6,532            |
| Brazil .....              | 2,152           | 34                           | 889                          | 58                              | 981              |
| Peru .....                | 377             | 22                           | 281                          | 6                               | 309              |
| Argentina .....           | 362             | (2)                          | 112                          | 9                               | 121              |
| Mexico <sup>3</sup> ..... | 310             | 20                           | 13                           | 0                               | 33               |
| Paraguay .....            | 28              | (4)                          | (4)                          | 26                              | 26               |
| Haiti .....               | 14 <sup>5</sup> | (4)                          | (4)                          | 14                              | 14               |
| Venezuela .....           | 6               | (4)                          | (4)                          | (4)                             | (4)              |
|                           | :               | :                            | :                            | :                               | :                |
| Total .....               | 15,066          | 579                          | 7,324                        | 113                             | 8,016            |
|                           | :               | :                            | :                            | :                               | :                |

Bales of 478 pounds net equivalent except for the United States, Mexico, and Peru, which are 500 pounds gross.

<sup>1</sup> Where the exporting countries have not shown destinations, importing country statistics have been used.

<sup>2</sup> If any, included in "unclassified."

<sup>3</sup> Calendar year.

<sup>4</sup> Not available.

<sup>5</sup> Exports.

Compiled from official sources.

TABLE 2.-Cotton: Exports from principal Western Hemisphere exporting countries, average 1923-24 to 1932-33; annual 1937-38 to 1939-40<sup>1</sup>

| DESTINATION OF<br>EXPORTS FROM<br>PRINCIPAL EXPORTING<br>COUNTRIES | YEAR ENDED JULY 31                  |         |         |         |                                     |           |           |           |
|--------------------------------------------------------------------|-------------------------------------|---------|---------|---------|-------------------------------------|-----------|-----------|-----------|
|                                                                    | QUANTITY                            |         |         |         | PERCENTAGE OF TOTAL                 |           |           |           |
|                                                                    | AVERAGE<br>1923-24<br>TO<br>1932-33 | 1937-38 | 1938-39 | 1939-40 | AVERAGE<br>1923-24<br>TO<br>1932-33 | 1937-38   | 1938-39   | 1939-40   |
|                                                                    |                                     |         |         |         |                                     |           |           |           |
| Exports from the                                                   | : 1,000 :                           | 1,000 : | 1,000 : | 1,000 : | :                                   | :         | :         | :         |
| United States to:                                                  | : bales :                           | bales : | bales : | bales : | Percent :                           | Percent : | Percent : | Percent : |
| Germany <sup>2</sup> .....                                         | 1,860 :                             | 704 :   | 345 :   | 20 :    | 23 :                                | 12 :      | 10 :      | (3)       |
| United Kingdom ...                                                 | 1,794 :                             | 1,651 : | 421 :   | 2,007 : | 22 :                                | 28 :      | 12 :      | 31        |
| France .....                                                       | 866 :                               | 772 :   | 362 :   | 773 :   | 10 :                                | 13 :      | 10 :      | 12        |
| Italy .....                                                        | 712 :                               | 540 :   | 292 :   | 577 :   | 9 :                                 | 9 :       | 8 :       | 9         |
| Spain .....                                                        | 304 :                               | 1 :     | 18 :    | 294 :   | 4 :                                 | (3) :     | 1 :       | 5         |
| Soviet Union ..... <sup>4</sup>                                    | 219 :                               | (5) :   | 0 :     | 0 :     | 3 :                                 | (3) :     | 0 :       | 0         |
| Belgium .....                                                      | 196 :                               | 205 :   | 94 :    | 215 :   | 2 :                                 | 3 :       | 3 :       | 3         |
| Netherlands .....                                                  | 141 :                               | 128 :   | 74 :    | 172 :   | 2 :                                 | 2 :       | 2 :       | 3         |
| Sweden .....                                                       | 60 :                                | 91 :    | 101 :   | 206 :   | 1 :                                 | 2 :       | 3 :       | 3         |
| Portugal .....                                                     | 46 :                                | 41 :    | 11 :    | 35 :    | (3) :                               | 1 :       | (3) :     | 1         |
| Poland and Danzig :                                                | 27 :                                | 253 :   | 180 :   | 6 :     | (3) :                               | 4 :       | 5 :       | (3)       |
| Other Europe .....                                                 | 65 :                                | 297 :   | 299 :   | 209 :   | 1 :                                 | 4 :       | 9 :       | 2         |
| Total Europe ...                                                   | 6,290 :                             | 4,683 : | 2,197 : | 4,514 : | 77 :                                | 78 :      | 63 :      | 69        |
| Canada .....                                                       | 210 :                               | 262 :   | 238 :   | 432 :   | 2 :                                 | 4 :       | 7 :       | 7         |
| Japan .....                                                        | 1,316 :                             | 719 :   | 896 :   | 941 :   | 16 :                                | 12 :      | 26 :      | 14        |
| China .....                                                        | 296 :                               | 24 :    | 87 :    | 422 :   | 4 :                                 | (3) :     | 2 :       | 6         |
| British India .....                                                | 84 :                                | 148 :   | 3 :     | 90 :    | 1 :                                 | 3 :       | (3) :     | 1         |
| Other countries ..                                                 | 19 :                                | 140 :   | 91 :    | 133 :   | (3) :                               | 3 :       | 2 :       | 3         |
| Total .....                                                        | 8,215 :                             | 5,976 : | 3,512 : | 6,532 : | 100 :                               | 100 :     | 100 :     | 100       |
| From Brazil to:                                                    | :                                   | :       | :       | :       | :                                   | :         | :         | :         |
| United Kingdom ... <sup>6</sup>                                    | 65 :                                | 203 :   | 229 :   | 296 :   | 72 :                                | 18 :      | 14 :      | 30        |
| Japan .....                                                        | (5, 6) :                            | 204 :   | 406 :   | 219 :   | (3) :                               | 18 :      | 25 :      | 22        |
| China .....                                                        | <sup>6</sup> 0 :                    | 11 :    | 214 :   | 158 :   | (3) :                               | 1 :       | 13 :      | 16        |
| Germany .....                                                      | <sup>6</sup> 5 :                    | 508 :   | 338 :   | 70 :    | 6 :                                 | 44 :      | 21 :      | 7         |
| France .....                                                       | <sup>6</sup> 6 :                    | 88 :    | 177 :   | 56 :    | 7 :                                 | 8 :       | 11 :      | 6         |
| Portugal .....                                                     | <sup>6</sup> 10 :                   | 30 :    | 14 :    | 52 :    | 11 :                                | 3 :       | 1 :       | 5         |
| Netherlands .....                                                  | <sup>6</sup> 2 :                    | 21 :    | 48 :    | 38 :    | 2 :                                 | 2 :       | 3 :       | 4         |
| Italy .....                                                        | (5, 6) :                            | 16 :    | 76 :    | 27 :    | (3) :                               | 1 :       | 5 :       | 3         |
| Belgium-Luxemburg : <sup>6</sup>                                   | 1 :                                 | 27 :    | 32 :    | 22 :    | 1 :                                 | 2 :       | 2 :       | 2         |
| United States .....                                                | (5, 6) :                            | (5) :   | 5 :     | 11 :    | 0 :                                 | - :       | (3) :     | 1         |
| Spain .....                                                        | (5, 6) :                            | 0 :     | 11 :    | 3 :     | (3) :                               | 0 :       | 1 :       | (3)       |
| Poland .....                                                       | <sup>6</sup> 0 :                    | 23 :    | 31 :    | 1 :     | 0 :                                 | 2 :       | 2 :       | (3)       |
| Other countries .. <sup>6</sup>                                    | 1 :                                 | 16 :    | 28 :    | 28 :    | 1 :                                 | 1 :       | 2 :       | 4         |
| Total .....                                                        | <sup>6</sup> 90 :                   | 1,147 : | 1,609 : | 981 :   | 100 :                               | 100 :     | 100 :     | 100       |
|                                                                    | :                                   | :       | :       | :       | :                                   | :         | :         | :         |

Continued -

TABLE 2.—Exports from principal Western Hemisphere exporting countries —  
Continued

| DESTINATION OF<br>EXPORTS FROM<br>PRINCIPAL EXPORTING<br>COUNTRIES | YEAR ENDED JULY 31                         |                   |                   |                   |                                            |                   |                   |                   |
|--------------------------------------------------------------------|--------------------------------------------|-------------------|-------------------|-------------------|--------------------------------------------|-------------------|-------------------|-------------------|
|                                                                    | QUANTITY                                   |                   |                   |                   | PERCENTAGE OF TOTAL                        |                   |                   |                   |
|                                                                    | AVERAGE<br>1923<br>TO<br>1932 <sup>6</sup> | 1937-38           | 1938-39           | 1939-40           | AVERAGE<br>1923<br>TO<br>1932 <sup>6</sup> | 1937-38           | 1938-39           | 1939-40           |
| Exports from                                                       | : 1,000 :                                  | 1,000 :           | 1,000 :           | 1,000 :           | :                                          | :                 | :                 | :                 |
| Peru to:                                                           | : bales :                                  | bales :           | bales :           | bales :           | Percent:                                   | Percent:          | Percent:          | Percent           |
| United Kingdom ....                                                | 166 :                                      | 170 :             | 168 :             | 185 :             | 81 :                                       | 57 :              | 48 :              | 60                |
| Japan .....                                                        | (5) :                                      | 5 :               | 21 :              | 35 :              | (3) :                                      | 2 :               | 6 :               | 11                |
| Netherlands .....                                                  | (5) :                                      | 7 :               | 29 :              | 19 :              | (3) :                                      | 2 :               | 8 :               | 6                 |
| Italy .....                                                        | (5) :                                      | 3 :               | 3 :               | 14 :              | (3) :                                      | 1 :               | 1 :               | 5                 |
| Chile .....                                                        | (5) :                                      | 10 :              | 9 :               | 11 :              | (3) :                                      | 3 :               | 3 :               | 4                 |
| France .....                                                       | 1 :                                        | 8 :               | 10 :              | 9 :               | (3) :                                      | 3 :               | 3 :               | 3                 |
| Belgium .....                                                      | 1 :                                        | 12 :              | 19 :              | 9 :               | (3) :                                      | 4 :               | 5 :               | 3                 |
| Germany .....                                                      | 22 :                                       | 81 :              | 88 :              | 7 :               | 11 :                                       | 27 :              | 25 :              | 2                 |
| United States ....                                                 | 15 :                                       | (5) :             | (5) :             | 6 :               | 7 :                                        | (3) :             | (3) :             | 2                 |
| China .....                                                        | (7) :                                      | (5) :             | 1 :               | 3 :               | — :                                        | (3) :             | (3) :             | 1                 |
| Other countries ..                                                 | 2 :                                        | 5 :               | 3 :               | 11 :              | 1 :                                        | 1 :               | 1 :               | 3                 |
| Total .....                                                        | 207 :                                      | 301 :             | 351 :             | 309 :             | 100 :                                      | 100 :             | 100 :             | 100               |
| From Argentina to:                                                 | :                                          | :                 | :                 | :                 | :                                          | :                 | :                 | :                 |
| United Kingdom ....                                                | 42 :                                       | 1 :               | 2 :               | 36 :              | 53 :                                       | 2 :               | 2 :               | 29                |
| Germany .....                                                      | 11 :                                       | 39 :              | 85 :              | 15 :              | 14 :                                       | 80 :              | 73 :              | 12                |
| Spain .....                                                        | 7 :                                        | 0 :               | 0 :               | 34 :              | 9 :                                        | 0 :               | 0 :               | 28                |
| France .....                                                       | 9 :                                        | 0 :               | 0 :               | 0 :               | 11 :                                       | 0 :               | 0 :               | 0                 |
| Belgium .....                                                      | 6 :                                        | 2 :               | (5) :             | 1 :               | 8 :                                        | 4 :               | (3) :             | 1                 |
| Italy .....                                                        | 4 :                                        | (5) :             | 2 :               | 21 :              | 5 :                                        | (3) :             | 1 :               | 18                |
| China .....                                                        | (5) :                                      | (7) :             | (7) :             | 5 :               | (3) :                                      | — :               | — :               | 4                 |
| Other countries ..                                                 | 1 :                                        | 7 :               | 27 :              | 9 :               | (3) :                                      | 14 :              | 24 :              | 8                 |
| Total .....                                                        | 80 :                                       | 49 :              | 116 :             | 121 :             | 100 :                                      | 100 :             | 100 :             | 100               |
|                                                                    | AVERAGE<br>1923-<br>1932 <sup>6</sup>      | 1937 <sup>6</sup> | 1938 <sup>6</sup> | 1939 <sup>6</sup> | AVERAGE<br>1923-<br>1932 <sup>6</sup>      | 1937 <sup>6</sup> | 1938 <sup>6</sup> | 1939 <sup>6</sup> |
| From Mexico to:                                                    |                                            |                   |                   |                   |                                            |                   |                   |                   |
| United States ....                                                 | 40 :                                       | 7 :               | 39 :              | 20 :              | 65 :                                       | 14 :              | 40 :              | 60                |
| United Kingdom ....                                                | 11 :                                       | 4 :               | 13 :              | 1 :               | 18 :                                       | 10 :              | 13 :              | 3                 |
| Germany .....                                                      | 7 :                                        | 15 :              | 15 :              | 7 :               | 11 :                                       | 32 :              | 16 :              | 20                |
| France .....                                                       | 2 :                                        | 2 :               | 0 :               | 0 :               | 3 :                                        | 5 :               | 0 :               | 0                 |
| Japan .....                                                        | 1 :                                        | 15 :              | 0 :               | 5 :               | 2 :                                        | 33 :              | 0 :               | 14                |
| Italy .....                                                        | (5) :                                      | 3 :               | 18 :              | 0 :               | (3) :                                      | 6 :               | 18 :              | 0                 |
| Belgium .....                                                      | (5) :                                      | 0 :               | 0 :               | 0 :               | (3) :                                      | 0 :               | 0 :               | 0                 |
| Spain .....                                                        | (5) :                                      | 0 :               | 0 :               | 0 :               | (3) :                                      | 0 :               | 0 :               | 0                 |
| Other countries ..                                                 | 1 :                                        | 0 :               | 12 :              | (5) :             | 1 :                                        | 0 :               | 13 :              | 3                 |
| Total .....                                                        | 62 :                                       | 46 :              | 97 :              | 33 :              | 100 :                                      | 100 :             | 100 :             | 100               |

<sup>1</sup> Bales of 478 pounds net except for United States, Peru, and Mexico, which are 500 pounds gross.

<sup>2</sup> Includes exports to the free port of Bremen for reshipment to other countries.

<sup>3</sup> Less than 0.5 percent.

<sup>4</sup> Excludes Russia in Asia.

<sup>5</sup> Less than 500 bales.

<sup>6</sup> Year ended December 31. <sup>7</sup> If any, included in "other countries." Compiled from official sources.





